

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 ACDA-07 IO-13 OMB-01 TRSE-00 EURE-00 /080 W
-----113714 151919Z /41

P R 151730Z SEP 77
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 7211
INFO AMCONSUL FLORENCE
AMCONSUL GENOA
AMCONSUL MILAN
AMCONSUL NAPLES
AMCONSUL PALERMO
AMCONSUL TRIESTE POUCH
AMCONSUL TURIN POUCH
USMISSION NATO
AMEMBASSY PARIS
AMEMBASSY MADRID
AMEMBASSY LONDON
AMEMBASSY BONN
USDOCOSOUTH
SHAPEUSNR

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USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

E.O. 11652: GDS
TAGS: PINT, IT
SUBJECT: THE LATTANZIO AFFAIR - A PCI TEST OF STRENGTH?

REF: ROME 14775 (NOTAL)

SUMMARY: LED BY THE PCI, A FORMIDABLE ARRAY OF POLITICAL
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FORCES IS DEMANDING DEFENSE MINISTER LATTANZIO'S RESIGNA-
TION BECAUSE OF HIS "POLITICAL RESPONSIBILITY" FOR THE
KAPPLER AFFAIR. IN PROVOKING THIS CONFLICT, THE PCI
APPARENTLY DOES NOT WISH TO THREATEN THE ANDREOTTI
GOVERNMENT, BUT MAY WISH TO REASSURE ITS UNEASY BASE
THAT IT CAN CONDITION THE GOVERNMENT AT WILL. THE
DC HAS SO FAR RESISTED PRESSURES FOR LATTANZIO'S RESIG-

NATION. IT NONETHELESS APPEARS TO BE SEEKING A NEGOTIATED, FACE-SAVING SOLUTION, AND LATTANZIO'S REMOVAL FROM THE DEFENSE PORTFOLIO SEEMS INCREASINGLY LIKELY. THIS FRIDAY'S COUNCIL OF MINISTERS MEETING HAS BEEN POSTPONED UNTIL SEPTEMBER 20; IT APPEARS LIKELY THAT THE DC WILL TRY TO DEFER A DECISION UNTIL THEN. THE OUTCOME IS UNCERTAIN, HOWEVER, AND SURPRISES ARE STILL POSSIBLE. END SUMMARY.

1. THE PCI'S ABRUPT AND UNEXPECTED DECISION TO REVERSE IT POLICY LINE ON THE KAPPLER CASE, AND TO DEMAND THAT DEFENSE MINISTER LATTANZIO RESIGN IN RECOGNITION OF HIS POLITICAL RESPONSIBILITY IN THE AFFAIR, HAS PRODUCED A FIRST-CLASS POLITICAL CONFLICT. ALTHOUGH THE REPUBLICANS HAD CONSISTENTLY CALLED FOR LATTANZIO'S HEAD EVER SINCE KAPPLER MADE HIS SENSATIONAL ESCAPE FROM A ROME MILITARY HOSPITAL ON AUGUST 13, THE DEFENSE MINISTER'S SURVIVAL HAD NOT BEEN A SERIOUS ISSUE UNTIL THE COMMUNISTS CHOSE TO MAKE IT ONE. THUS, WHEN PRIME MINISTER ANDREOTTI WENT BEFORE THE CHAMBER OF DEPUTIES ON SEPTEMBER 13 TO DEFEND THE RECORD OF HIS GOVERNMENT, THE CARABINIERI, AND HIS CLOSE POLITICAL ASSOCIATE LATTANZIO, THE POLITICAL LINE-UP ON THE ISSUE HAD ALREADY CONGEALED AGAINST THE DC. WITHIN FOURTY-EIGHT HOURS AFTER THE PCI'S DECISION, THE SOCIALISTS JOINED THE COMMUNISTS IN DEMANDING LATTANZIO'S RESIGNATION. CONFIDENTIAL

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ALSO AGAINST LATTANZIO ARE THE RADICALS, DEMPRO AND MSI; MORE CAUTIOUSLY, THE LIBERALS AND SOCIAL DEMOCRATS MAINTAIN THAT LATTANZIO SHOULD HAVE RESIGNED WEEKS AGO BUT SHOULD NOT DO SO NOW LEST IT OPEN AN UNWANTED GOVERNMENT CRISIS.

2. FACED WITH THIS FORMIDABLE POLITICAL OPPOSITION. THE CHRISTIAN DEMOCRATS HAVE PUBLICLY CLOSED THEIR RANKS IN LATTANZIO'S AND THE GOVERNMENT'S DEFENSE. DC SPOKESMEN HAVE COMMENTED THAT AS LONG AS LATTANZIO HAS NOT BEEN PROVEN GUILTY OF SOMETHING, HIS RESIGNATION WOULD ONLY SATISFY THOSE NEEDS OF RITUALISTIC HEADHUNTING THAT HAS LITTLE TO DO WITH DEMOCRATIC PRACTICE. THEY FURTHER MAINTAIN THAT LATTANZIO'S RESIGNATION WOULD BE AN ACT OF SUBMISSION TO PCI CONDITIONING, ALL THE MORE EVIDENT SINCE LATTANZIO DID NOT RESIGN WHEN THE REPUBLICANS ADVOCATED IT. ANDREOTTI AND OTHER DC LEADERS (WHO HAVE HAD A NUMBER OF STRATEGY MEETINGS ON THE LATTANZIO CASE) HOWEVER, HAVE AVOIDED TAKING RIGID POSITIONS IN LATTANZIO'S DEFENSE.

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3. THE DC IS NOW APPARENTLY ATTEMPTING TO DEFUSE
THE SITUATION BY SEEKING MORE TIME. THE PCI HAD REPORTEDLY
DEMANDED A DECISION ON LATTANZIO AT THE
REGULARLY SCHEDULED FRIDAY COUNCIL OF MINISTER'S
MEETING, SEPT. 16. THIS MEETING HAS NOW BEEN POSTPONED
TO SEPT. 20 AND THE DC WILL TRY TO DEFER A DECISION
UNTIL THEN.
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4. THE SOCIALISTS HAVE REAFFIRMED THEIR DEMANDS FOR LATTANZIO'S RESIGNATION, BUT HAVE ALSO CAUTIONED AGAINST THE DANGER OF PRECIPITATING A CHANGE IN THE GOVERNMENT OR POLITICAL BALANCE. THE COMMUNISTS, HOWEVER, CONTINUE TO TAKE A VERY RIGID POSITION ON LATTANZIO. L'UNITA SEPT. 15 HEADLINES THE PCI POSITION THAT "LATTANZIO'S REFUSAL TO RESIGN COULD OPEN A CONFLICT WITH THE PARLIAMENT." ALTHOUGH THE PCI HAS NOT INDICATED SPECIFICALLY WHAT IT HAS IN MIND, THE COMMUNISTS ARE REPORTEDLY CONSIDERING THE INTRODUCTION OF A PARLIAMENTARY MOTION OF NO-CONFIDENCE IN LATTANZIO. COMMENT: IT IS SIGNIFICANT THAT THE PCI'S DEMANDS CONTINUE TO BE LIMITED TO LATTANZIO. THE PCI HAS CAREFULLY REFRAINED FROM ANY IMPLICATION THAT LATTANZIO'S FAILURE TO RESIGN COULD CALL INTO QUESTION THE VIABILITY OF THE ANDREOTTI GOVERNMENT (A POSITION WHICH REPUBLICAN LEADER LA MALFA COMES CLOSE TO ADOPTING TODAY IN A VOCE REPUBBLICANA EDITORIAL). AS TO THE POSSIBILITY OF A PARLIAMENTARY MOTION OF NO-CONFIDENCE IN LATTANZIO, SOME COMMENTATORS HAVE OBSERVED THAT THERE IS NO PRECEDENT FOR A MOTION AGAINST A SINGLE MINISTER AND THAT THE CONSTITUTION (AR. 94) AND CHAMBER RULES (ART. 115) BOTH PROVIDE THAT MOTIONS OF NO-CONFIDENCE MUST INVOLVE THE ENTIRE GOVERNMENT. END COMMENT.

5. COMMENT: THE SITUATION IS BOVIOUSLY STILL VERY FLUID. IT HAS CALLED INTO QUESTION THE BASIS FOR POLITICAL COOPERATION BETWEEN THE PARTIES THAT THE PROGRAM ACCORD HAD BEEN INTENDED TO PROVIDE. HOW SERIOUSLY IT HAD DONE THIS DEPENDS ON AN ACCURATE ASSESSMENT OF PCI MOTIVATIONS IN MAKING POLITICAL ISSUE OUT OF LATTANZIO'S DIFFICULTIES IN CONFIDENTIAL

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THE KAPPLER CASE. SINCE THE PCI HAS GIVEN NO INDICATION THAT IT SEEKS TO LATER SIGNIFICANTLY OR TO BRING DOWN THE ANDREOTTI GOVERNMENT, PROBABLY THE BEST EXPLANATION FOR ITS BEHAVIOUR IS THAT, BY LIMITING ITS OBJECTIVES TO LATTANZIO, IT WISHES TO DEMONSTRATE (TO THE DC, THE PSI, AND PERHAPS, MOST IMPORTANTLY, TO ITS OWN UNEASY BASE) THAT IT IS A POLITICAL FORCE CAPABLE OF CONDITIONING THE GOVERNMENT AT WILL. IF SO, WHY HAS THE PCI CHOSE THIS MOMENT TO ENGAGE IN MILITANT OBJECT LESSONS? THE NEED TO REASSURE ITS BASE OVER THE PCI'S MODERATE ROLE, TO PREPARE FOR THE SIGNIFICANT TEST OF THE NOVEMBER ADMINISTRATIVE ELECTIONS; AND TO RESPOND TO THE DC'S ANTI-COMMUNIST POLEMICS, ALL OFFER PLAUSIBLE REASONS.

6. IT IS PERHAPS SIGNIFICANT THAT ANDREOTTI AND THE DC APPEAR DISPOSED TOWARD A NEGOTIATED SOLUTION. PRIVATELY, SOME WELL-PLACED DC SOURCES (INCLUDING A DEFENSE MINISTRY UNDERSECRETARY) HAVE INDICATED THAT LATTANZIO WILL HAVE TO STEP DOWN. NUMEROUS FACE-SAVING WAYS IN WHICH THIS MIGHT BE ACCOMPLISHED ARE BEING DISCUSSED. THERE IS ALSO TALK OF A CABINET SHUFFLE OF VARYING PROPORTIONS. AT THE MOMENT, IT APPEARS THAT THE SITUATION CAN PROBABLY BE CONTAINED AND A GOVERNMENT CRISIS WHICH NO PARTY WANTS CAN BE AVOIDED. IN THE PRESENT SITUATION, HOWEVER, THERE IS SCOPE FOR UNPREDICTABLE POLITICAL ACCIDENTS. GARDNER

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Message Attributes

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